

ARTICLE APPEARED
ON PAGE A-16

WASHINGTON POST
23 July 1984

Hatfield Aided Greek Who Paid Real Estate Fees to Senator's Wife

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Sen. Mark O. Hatfield (R-Ore.) helped a Greek financier try to win government support for a proposed trans-African oil pipeline in 1982 and 1983 while the man was paying Hatfield's wife, Antoinette, \$40,000 in real estate fees.

Hatfield's role in aiding Athens entrepreneur Basil Tsakos with the \$15 billion, 2,200-mile pipeline project was reported today by columnist Jack Anderson.

In a telephone interview from Portland, Ore., Hatfield confirmed that he had helped arrange meetings for Tsakos with Energy Secretary Donald P. Hodel and Exxon Corp. President Howard Kauffmann. Hatfield said he also had discussed the project with Defense Secretary Caspar W. Weinberger and with President Jaafar Nimeri of Sudan, an African nation along the pipeline route.

But Hatfield said there was no connection between his wife's real estate work for Tsakos and his support of the pipeline.

"We have maintained very separate and distinct professional careers," Hatfield said. "She has not been involved in my political matters, and I really haven't been involved in her business."

Hatfield said he has long been concerned

that the United States is "very vulnerable to supply cutoffs in the Middle East" and faces "the great potential for a superpower confrontation" over Mideast oil. He said the pipeline could defuse the situation by allowing Saudi Arabia to avoid the Strait of Hormuz by shipping oil across central Africa to an Atlantic port for export to the United States and Europe.

"That was my one and only interest in this," said Hatfield, who chairs the Senate Appropriations Committee. "I was not qualified to make judgments on the economics . . . I had always tried to delineate my role in the project to the aspect of promotion. I made no presentations or recommendations."

A spokesman for Tsakos, who is in Greece, said Tsakos hired Hatfield's wife for legitimate real estate services and that "he denies anything improper in that relationship."

A series of payments by Tsakos to Antoinette Hatfield is to be detailed in Anderson's column Tuesday.

Hatfield said that in early 1982, Tsakos' wife asked his wife, a licensed real estate broker in Washington, for help in finding an apartment here. He said Antoinette Hatfield helped Tsakos find a cooperative

apartment at the Watergate, which Tsakos bought for a reported \$500,000, but that she did not handle the transaction.

While there was no formal contract, Hatfield said the \$40,000 paid to his wife included "a commission and finder's fee" for locating the Watergate apartment, consulting fees for supervising the apartment's renovation and additional fees for trying to locate investment properties for Tsakos. The senator said the work and payments continued through 1983.

Hatfield said that while the pipeline does not require U.S. approval and needs no congressional action on his part, the African nations involved were seeking assurances that U.S. authorities would not oppose it. Hatfield said that in 1982 and 1983 he suggested that Hodel and other officials "take a look" at the plan and talk to Tsakos.

A DOE spokesman said Hodel's staff later decided the proposal was not advanced enough to warrant further DOE involvement.

Anderson also reported today that Hatfield continued to promote the project after being given a report alleging that Tsakos had a criminal record in Greece.

Carl L. Shipley, a Washington attorney and former member of the Republican National Committee, said in an interview that he gave the report to Hatfield and CIA Director William J. Casey at a meeting with them both.

Shipley, who had served as president of Trans-Africa Pipeline Co., a firm formed to pursue the project, said he pulled out of the venture about two years ago after questions were raised about Tsakos' background and the source of his financing.

Shipley said he had obtained "an intelligence report on [Tsakos] later confirmed by our own intelligence agencies. It showed he had a long criminal record . . . I couldn't turn my back on those intelligence reports."

Anderson said that he had confirmed the report independently, that it summarized information from Greek government files and that the CIA has a copy. According to Anderson, the report said that Tsakos twice has been sentenced to jail in Greece for short periods on theft and misappropriation charges and that he had engaged in "black-market" arms sales through a Geneva company.

The spokesman for Tsakos said the financier denies the report and maintains that "he has never been involved in anything of a significant criminal nature in Greece." He

said Greek authorities have cited Tsakos only for a traffic infraction and a late social-insurance payment. The spokesman said Tsakos has been involved in one or two arms deals through the Austrian government, but "categorically denies" participating in improper sales.

Hatfield also said that he "confronted" Tsakos with the allegations, but that Tsakos said they were "absolutely untrue" and produced a document that Tsakos said showed that the only charge against him in Greece was for a traffic infraction.

"I'm not ready to convict someone on the basis of what someone else may say," Hatfield said.

Shipley said he withdrew from the plan in part because Tsakos began to "back away" from two conditions for the deal: that American investors retain a controlling interest in the pipeline and that Tsakos disclose his European backers. Shipley said that Tsakos' financing sources remained "mysterious" and that he "was refusing to disclose information" when pressed by State Department officials.

Hatfield said that he and Tsakos and their wives see each other socially and that Tsakos recently told him that the project is making progress.